LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS

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ADMINISTRATIVE RULE
FISCAL IMPACT STATEMENT

PROPOSED RULE: 98-153 **DATE PREPARED:** Nov 02, 1998
STATE AGENCY: Solid Waste Management Board **DATE RECEIVED:** Sep 28, 1998
FISCAL ANALYST: Kristin Breen
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Digest of Proposed Rule: This proposed rule amends 329 IAC 9 concerning underground storage tanks (UST) to comply with 40 CFR 280 as required by 42 U.S.C. 9661 and IC 13-23-1-2. Federal regulations at 40 CFR 280 require USTs and piping to have corrosion protection and UST systems to have spill and overfill prevention equipment not later than December 22, 1998.

This proposed rule adds 329 IAC 9-2-1.1 regarding secondary containment for UST systems installed in wellhead protection areas after the effective date.

This rule also adds 329 IAC 9-2.1 concerning the upgrading of existing UST systems, 329 IAC 9-3.1 concerning general operating requirements, 329 IAC 9-7 concerning release detection, and 329 IAC 9-8 concerning financial responsibility.

Since the federal regulations are already applicable to USTs in Indiana, the fiscal impact of those regulations is not included in this analysis.

This proposed rule will impact state and local government entities as well as private entities that own or operate USTs regulated by 329 IAC 9.

Governmental Entities:

State Entities:

IDEM: This proposed rule will not have a fiscal impact on the Indiana Department of Environmental Management (IDEM). IDEM staff and resources will be reallocated to handle any additional responsibilities.

This proposed rule places no unfunded mandates upon state government.

Secondary Containment: If a state UST owner or operator locates a new UST within a one year time of travel (the calculated length of time a particle of water takes to reach a community public water supply system production well from a certain point) or 1,500 feet of a community water system supply well after the effective date of this section, the owner or operator must install a secondary containment system on the UST. The secondary containment system would include a double-walled tank and double-walled piping or other secondary barrier system or method approved by IDEM's commissioner. Since it is not known what other secondary barrier system or method would be used, this analysis only includes the use of a double-walled tank and double-walled

piping.

The cost to state government would be the difference between a single-walled and a double-walled tank and single-walled and double-walled piping. It is estimated that the additional cost for a double-walled tank would range from approximately $2,000 to $4,500. It is also estimated that the additional cost for double-walled piping would range from $12 to $15 per foot. It is estimated that the total additional cost for a secondary containment system would range from $10,000 to $20,000 per tank. The actual cost is dependent upon the number and capacity of USTs installed in a wellhead protection area, the type of secondary containment system installed, the amount of piping needed, and the cost of labor.

The placement of a UST tank in a wellhead protection area is voluntary.

Local Units of Government:

This proposed rule places no unfunded mandates upon any local government unit.

Secondary Containment: If a local UST owner or operator locates a new UST within a one year time of travel or 1,500 feet of a community water system supply well after the effective date of this section, the owner or operator must install a secondary containment system on the UST. The secondary containment system would include a double-walled tank and double-walled piping or other secondary barrier system or method approved by IDEM's commissioner. Since it is not known what other secondary barrier system or method would be used, this analysis only includes the use of a double-walled tank and double-walled piping.

The cost to local government would be the difference between a single-walled and a double-walled tank and single-walled and double-walled piping. It is estimated that the additional cost for a double-walled tank would range from approximately $2,000 to $4,500. It is also estimated that the additional cost for double-walled piping would range from $12 to $15 per foot. It is estimated that the total additional cost for a secondary containment system would range from $10,000 to $20,000 per tank. The actual cost is dependent upon the number and capacity of USTs installed in a wellhead protection area, the type of secondary containment system installed, the amount of piping needed, and the cost of labor.

The placement of a UST tank in a wellhead protection area is voluntary.

Regulated Entities:

Secondary Containment: If a private UST owner or operator locates a new UST within a one year time of travel or 1,500 feet of a community water system supply well after the effective date of this section, the owner or operator must install a secondary containment system on the UST. The secondary containment system would include a double-walled tank and double-walled piping or other secondary barrier system or method approved by IDEM's commissioner. Since it is not known what other secondary barrier system or method would be used, this analysis only includes the use of a double-walled tank and double-walled piping.

The cost to regulated entities would be the difference between a single-walled and a double-walled tank and single-walled and double-walled piping. It is estimated that the additional cost for a double-walled tank would range from $2,000 to $4,500. It is also estimated that the additional cost for double-walled piping would range from $12 to $15 per foot. It is estimated that the total additional cost for a secondary containment system would range from $10,000 to $20,000 per tank. The actual cost is dependent upon the number and capacity of USTs installed in a wellhead protection area, the type of secondary containment system installed, the amount of piping needed, and the cost of labor.

The placement of these tanks in a wellhead protection area is voluntary. It is estimated that some major oil companies would install a secondary containment system even without this additional regulation.

Information Sources: Cyndi Wagner, Chief of IDEM's Underground Storage Tank Section, 308-3082; Dan Fierce, Amoco, 630/420-3732.